

To: The Honorable Mayor and City Council

From: Ruby Johnson, Purchasing Director

RS

Date: October 8, 2013

RE: **A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOURTH OPTION TO RENEW PROFESSIONAL SERVICES AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI AND RISK MANAGEMENT ASSOCIATES, INC., TO CONTINUE TO PROVIDE THE CITY WITH POLICE PROFESSIONAL LIABILITY INSURANCE COVERAGE FOR ONE (1) ADDITIONAL YEAR, AT A COST NOT TO EXCEED ONE HUNDRED SEVENTY EIGHT THOUSAND SEVEN HUNDRED THIRTY THREE DOLLARS (\$178,733.00); PROVIDING FOR AN EFFECTIVE DATE AND ALL OTHER PURPOSES.**

BACKGROUND

Staff engaged in a competitive bidding process in September 2009 for Police Professional Liability Insurance. Three (3) companies responded and Public Risk Insurance Agency (PRIA) was successful in delivering the most competitive coverage and premium option through its carrier "Indian Harbor Insurance"; consequently it was awarded the contract. PRIA, the 6th largest insurance intermediary in the United States, and a subsidiary of Brown & Brown, is uniquely qualified to handle the City's Public Officials and Employment Practices Liability insurance. It currently serves the insurance needs of over 150 public entities in the State of Florida. The carrier - Indian Harbor Insurance Company - has successfully held a stable financial position within the insurance industry with \$2,000,000,000 in capital, surplus and conditional reserve funds. Additionally it is supported by an excellent AM Best rating of A XV.

The contract provides an option to renew this line of coverage under the same terms and conditions four (4) years on a year to year basis. Coverage provided by Indian Harbor includes: \$2,000,000 policy limit for Police Professional Liability, written on an occurrence form with \$25,000 deductible per claim and an annual deductible aggregate of \$75,000. Renewal is being offered at \$178,733.00 annualized premium, which is 6.25% lower than the expiring policy.

BACKGROUND

It is recommended that the City Council authorize the City Manager to exercise Option No.4 of RFP #10-08-09 for Police Professional Liability Insurance with Indian Harbor Insurance Company, through

its Broker, Public Risk Insurance Agency (PRIA) located in Daytona Beach, Florida, for the period 10/31/13 to 10/31/14.

Staff is recommending that Council authorize the issuance of a purchase order in the amount of \$178,733.00 exercising Option Year No. 4 of the renewal agreement.

Attachments

Resolution

Renewal Agreement

Option Year 4 Pricing

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOURTH OPTION TO RENEW PROFESSIONAL SERVICES AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI AND RISK MANAGEMENT ASSOCIATES, INC., TO CONTINUE TO PROVIDE THE CITY WITH POLICE PROFESSIONAL LIABILITY INSURANCE COVERAGE FOR ONE (1) ADDITIONAL YEAR, AT A COST NOT TO EXCEED ONE HUNDRED SEVENTY-EIGHT THOUSAND SEVEN HUNDRED THIRTY-THREE DOLLARS (\$178,733.00); PROVIDING FOR AN EFFECTIVE DATE AND ALL OTHER PURPOSES.

WHEREAS, on October 13, 2009, the Mayor and City Council of the City of North Miami ("City") approved the selection of Risk Management Associates, Inc. ("Contractor") for the provision of Police Professional Liability Insurance coverage ("Police Liability Coverage"); and

WHEREAS, the City entered into an agreement with Contractor ("Agreement") for the purchase of Police Liability Coverage, in accordance with the terms, conditions and specifications contained in the City's *Request for Proposals # 10-08-09, Police Professional Liability Insurance Coverage* ("RFP"); and

WHEREAS, the initial term of the Agreement was for one (1) year, terminating on September 30, 2010; and

WHEREAS, upon completion of the initial term, the City was allowed to exercise up to four (4) options to renew the Agreement on a year-by-year basis, under the same terms and conditions of the Agreement; and

WHEREAS, the City subsequently exercised three (3) of its four (4) options to renew the Agreement in order to continue to provide Police Liability Coverage at a competitive rate, without interruption of coverage; and

WHEREAS, the City administration desires to exercise the fourth and final option to renew the Agreement to maintain and extend, without interruption, the Police Liability Coverage to the City, for one (1) additional year; and

WHEREAS, the Mayor and City Council find that the execution of the Fourth Option to Renew Professional Services Agreement, in substantially the attached form, at a cost not to exceed One Hundred Seventy-Eight Thousand Seven Hundred Thirty-Three Dollars (\$178,733.00), is in the best interest of the City.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. **Authority of City Manager.** The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager to execute the Fourth Option to Renew Professional Services Agreement, in substantially the Attached form, between the City of North Miami and Risk Management Associates, Inc., to continue to provide the City with Police Professional Liability Insurance Coverage for one (1) additional year, at a cost not to exceed One Hundred Seventy-Eight Thousand Seven Hundred Thirty-Three Dollars (\$178,733.00).

Section 2. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of _____, 2013.

LUCIE M. TONDREAU
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Lucie M. Tondreau

_____ (Yes) _____ (No)

Vice Mayor Scott Galvin

_____ (Yes) _____ (No)

Councilperson Carol Keys, Esq.

_____ (Yes) _____ (No)

Councilperson Philippe Bien-Aime

_____ (Yes) _____ (No)

Councilperson Marie Erlande Steril

_____ (Yes) _____ (No)

**CITY OF NORTH MIAMI
FOURTH OPTION TO RENEW
PROFESSIONAL SERVICES AGREEMENT**

THIS FOURTH OPTION TO RENEW PROFESSIONAL SERVICES AGREEMENT ("Fourth Option Agreement") is made and entered into this ____ day of _____, 2013 by and between the **City of North Miami**, a Florida municipal corporation, located at 776 NE 125th Street, North Miami, FL ("City") and **Risk Management Associates, Inc.**, a for-profit corporation organized and existing under the laws of the State of Florida, having its principal office at 220 S. Ridgewood Avenue, Daytona, FL 32114 ("Contractor"). The City and Contractor shall collectively be referred to as the "Parties".

RECITALS

WHEREAS, on October 31, 2009, the City of North Miami ("City") entered into an agreement with Contractor, as subsequently amended ("Agreement"), for the purchase of Police Professional Liability Insurance Coverage ("Police Liability Coverage"), in accordance with the terms, conditions and specifications contained in the City's *Request for Proposals # 10-08-09, Police Professional Liability Insurance Coverage* ("RFP"); and

WHEREAS, the initial term of the Agreement was for one (1) year, terminating on September 30, 2010; and

WHEREAS, upon completion of the initial term, the City is allowed up to four (4) options to renew on a year-by-year basis, under the same terms and conditions of the Agreement; and

WHEREAS, the Mayor and City Council have determined that it is in the City's best interest to exercise the fourth option to renew in accordance with the terms and conditions of the Agreement, in order to provide uninterrupted Police Liability Coverage.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the Parties hereto agree as follows:

1. The City hereby exercises its fourth option to renew the Agreement for Police Liability Coverage, during the period commencing October 31, 2013, through October 31, 2014.
2. The Contractor hereby accepts the City's fourth option to renew the Agreement for Police Liability Coverage, during the period commencing October 31, 2013, through October 31, 2014.
3. The City shall have remaining no option to renew the Agreement.
4. The Contractor agrees to provide Police Liability Coverage in accordance with the terms, conditions and specifications contained in the City's RFP.

5. The City agrees to pay Contractor a lump sum payment in the amount not to exceed One Hundred Seventy Eight Thousand Seven Hundred Thirty Three Dollars (\$178,733.00) for Police Liability Coverage, including applicable agency service fees.
6. The Parties agree that this Fourth Option Agreement shall be made part of the Agreement previously executed by the Parties, attached hereto as Exhibit "A".
7. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the Parties.
8. This Fourth Option Agreement shall be binding upon the Parties hereto, their successors in interest, heirs, executors, assigns and personal representatives.
9. All other terms of the Agreement, which have not been modified by this Fourth Option Agreement, shall remain in full force and effect.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective proper officers duly authorized the day and year first written above.

ATTEST: Risk Management Associates, Inc., a Florida for-profit corporation:

Corporate Secretary or Witness: **"Contractor"**

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

ATTEST: City of North Miami, a Florida municipal Corporation: **"City"**

By: _____
Michael A. Etienne
City Clerk

By: _____
Stephen E. Johnson
City Manager

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: _____
Regine M. Monestime
City Attorney

**CITY OF NORTH MIAMI
FOURTH OPTION TO RENEW
PROFESSIONAL SERVICES AGREEMENT
RFP 10-08-09**

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WHEREAS, the initial term of the Agreement was for one (1) year, terminating on September 30, 2010; and

WHEREAS, upon completion of the initial term, the City is allowed up to four (4) options to renew on a year-by-year basis, under the same terms and conditions of the Agreement; and

WHEREAS, the Mayor and City Council have determined that it is in the City's best interest to exercise the fourth option to renew in accordance with the terms and conditions of the Agreement, in order to provide uninterrupted Police Liability Coverage.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the Parties hereto agree as follows:

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4. The Contractor agrees to provide Police Liability Coverage in accordance with the terms, conditions and specifications contained in the City's RFP.

Police Professional Liability

Covered Party: North Miami
Effective Date: 10/1/2013 to 10/31/2013



| LINE OF COVERAGE | 2012/2013 | | | 2013/2014 | | |
|----------------------------------|-----------------------------|---------------------|-------------|--|---------------------|-------------|
| | LIMIT | DEDUCTIBLE/SIR | ANNUAL PREM | LIMIT | DEDUCTIBLE/SIR | ANNUAL PREM |
| Public Officials | Effective 10/01/2013 | | | XL RENEWAL - Other Indications provided in Proposal | | |
| Indian Harbor Ins Company | | | | | | |
| POL / ELL | 2,000,000 / 2,000,000 | \$ 50,000 | \$ 102,964 | 2,000,000 / 2,000,000 | \$ 50,000 | \$ 102,964 |
| Fees | | | \$ 1,339 | | | \$ 1,339 |
| | | Sub-Total | \$ 104,303 | | Sub-Total | \$ 104,303 |
| Law Enforcement Liability | Effective 10/31/2013 | | | XL RENEWAL - Other Indications provided in Proposal | | |
| Indian Harbor Ins Company | | | | | | |
| Law Enforcement Liability | 2,000,000 / 2,000,000 | 25,000 / 75,000 Agg | \$ 188,201 | 2,000,000 / 2,000,000 | 25,000 / 75,000 Agg | \$ 178,439 |
| Fees | | | \$ 2,447 | | Fees | \$ 2,294 |
| | | Sub-Total | \$ 190,648 | | Sub-Total | \$ 178,733 |
| TOTAL PREMIUM | | | \$ 294,950 | | | \$ 283,035 |
| | | | | | DIFFERENCE | \$ (11,915) |
| | | | | | | -4.04% |